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**TO THE SECRETARY OF THE TREASURY J. MSS. (ALBERT GALLATIN.)**

June 19, 1802.

With respect to the bank of Penna, their difficulties proceed from excessive discounts. The 3,000,000 D. due to them comprehend doubtless all the desperate debts accumulated since their institution. Their buildings should only be counted at the value of the naked ground belonging to them; because, if brought to market, they are worth to private builders no more than their materials, which are known by experience to be worth no more than the cost of pulling down and removing them. Their situation then is

They owe 2,200,000

They have of good money 710,000

250,000

Ground worth perhaps 5,000 965,000

1,235,000

To pay which 1,235,000, they depend on 3,000,000 of debts due to them, the amount of which shows they are of long standing, a part desperate, a part not commandable. In this situation it does not seem safe to desposit public money with them, and the effect would only be to enable them to nourish their disease by continuing their excessive discounts, the checking of which is the only means of saving themselves from bankruptcy. The getting them to pay the Dutch debt, is but a deposit in another tho' a safer form. If we can with propriety recommend indulgence to the bank of the U S, it would be attended with the least danger to us of any of the measures suggested, but it is in fact asking that bank to

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lend to the one of Pennsylvania, that they may be enabled to continue lending to others. The monopoly of a single bank is certainly an evil. The multiplication of them was intended to cure it; but it multiplied an influence of the same character with the first, and compleated the supplanting the precious metals by a paper circulation. Between such parties the less we meddle the better.